# AGRICULTURAL IMPLEMENTS BOARD

## FINANCIAL STATEMENTS

For the Year Ended March 31, 2015

PROVINCIAL AUDITOR
*of Saskatchewan*

## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Agricultural Implements Board, which comprise the Statement of Financial Position as at March 31, 2015, and the Statement of Operations and Net Financial Assets and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Agricultural Implements Board as at March 31, 2015, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
July 3, 2015

Judy Ferguson, FCPA, FCA
Provincial Auditor

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Statement 1

**AGRICULTURAL IMPLEMENTS BOARD**
**STATEMENT OF FINANCIAL POSITION**
**As of March 31**

| | 2015 | 2014 |
|---|---|---|
| **ASSETS** | | |
| Due from General Revenue Fund (Note 3) | $ 208,653 | $ 206,658 |
| Accrued interest receivable | 416 | 497 |
| | $ 209,069 | $ 207,155 |
| **LIABILITIES** | | |
| Accounts payable | $ 2,670 | $ - |
| Net financial assets (Statement 2) | $ 206,399 | $ 207,155 |

(See accompanying notes to the financial statements)

Statement 2

## AGRICULTURAL IMPLEMENTS BOARD
## STATEMENT OF OPERATIONS AND NET FINANCIAL ASSETS
### For the Year Ended March 31

| | 2015 | 2014 |
|---|---|---|
| **Revenue:** | | |
| Assessment levies | $ - | $ 2,200 |
| Penalty revenue | 1,995 | - |
| Interest income | 1,914 | 2,092 |
| | 3,909 | 4,292 |
| **Expenses:** | | |
| Compensation payments | 1,995 | - |
| Investigation and hearing costs (Note 5) | 2,670 | - |
| | 4,665 | - |
| (Deficit)Surplus for the year | (756) | 4,292 |
| Net financial assets, beginning of year | 207,155 | 202,863 |
| Net financial assets, end of year - to Statement 1 | $ 206,399 | $ 207,155 |

(See accompanying notes to the financial statements)

Statement 3

**AGRICULTURAL IMPLEMENTS BOARD**
**STATEMENT OF CASH FLOWS**
**For the Year Ended March 31**

| | 2015 | 2014 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash receipts from distributors | $ - | $ 1,500 |
| Penalty revenue | 1,995 | - |
| Compensation payments | (1,995) | - |
| Interest received | 1,995 | 2,143 |
| Net increase in cash position during the year | 1,995 | 3,643 |
| Due from General Revenue Fund, beginning of year | 206,658 | 203,015 |
| Due from General Revenue Fund, end of year | $ 208,653 | $ 206,658 |

(See accompanying notes to the financial statements)

**AGRICULTURAL IMPLEMENTS BOARD**
**NOTES TO THE FINANCIAL STATEMENTS**
**March 31, 2015**

## 1. Authority

The Agricultural Implements Board is continued under *The Agricultural Implements Act*. Under this Act, a fund known as the Agricultural Implements Compensation Fund, is also continued through which all transactions reflected in these statements are conducted. The Agricultural Implements Board is responsible for managing and operating the Fund:

a) To pay compensation to farmers who have suffered loss as a result of a defective implement;

b) To defray the expenses of investigating and hearing claims for compensation under this Act; and,

c) To maintain a reserve fund to pay compensation that may become payable in the future.

## 2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards. A statement of net debt has not been prepared as information is readily determinable from the other statements. A statement of remeasurement gains and losses has not been prepared as The Agriculture Implements Board does not have any remeasurement gains and losses.

The following accounting policies are considered significant:

a) Revenue:

Assessment levies on distributors are assessed annually and any levies received in advance are recorded as deferred revenue.

The Agricultural Implements Board passed a motion to set the annual assessment fee to zero for the 2014-15 fiscal year due to the balance in the fund. This motion has been carried forward for 2015-16.

Penalty revenue is recognized once a penalty for the dealer is approved by the Agriculture Implements Board in regards to a compensation for loss hearing.

Interest income is recognized as revenue when earned.

b) Use of estimates:

These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

**3. Due from General Revenue Fund**

The Agricultural Implements Board's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2015 average rate 0.92%; 2014 average rate 1.02%) and the Agricultural Implements Board's average daily bank account balance.

**4. Compensation Payment**

The Agricultural Implements Board awarded payment to one producer regarding the decision on a compensation for loss. From the decision, a payment was made to the producer from the Agricultural Implements Compensation Fund and the Fund was reimbursed by the dealer for the full amount of the loss.

**5. Related Parties Transactions**

Salary and administration costs other than those in respect of investigations and hearings have been absorbed by the Ministry of Agriculture and are therefore not reflected in these financial statements. The statements reflect a payable to the Ministry of Agriculture for the costs of investigations and hearings incurred during the year.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes hereto.

**6. Financial Instruments and Risk**

Financial instruments consist of Due from General Revenue Fund, accrued interest receivable and accounts payable. The fair values approximate the carrying values due to the short-term nature of these instruments. The Agricultural Implements Board is not exposed to significant credit risk, market risk, or liquidity risk from these financial instruments.